



WILLIAM T FUJIOKA
Chief Executive Officer

County of Los Angeles CHIEF EXECUTIVE OFFICE

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July 8, 2008

To: Supervisor Yvonne B. Burke, Chair
Supervisor Gloria Molina
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

A handwritten signature in black ink, appearing to read "W. T. Fujioka", is written over the printed name and title.

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

SACRAMENTO UPDATE

State Budget Conference Committee Actions

The Conference Committee met again yesterday and made significant progress by closing out several items. The Committee is scheduled to reconvene this evening, and according to the Chair, Senator Ducheny, the remaining open items, which are primarily in the areas of corrections and education, will be considered along with the first discussion of potential revenues which may be a key component of any State Budget agreement.

The Committee took action on the following items of interest to the County:

Medi-Cal Administration. The Conference Committee took the following actions on the Governor's proposed Medi-Cal Administration funding reductions:

- **Cost of Doing Business Adjustment** - Voted 4 to 2 to approve trailer bill language to indemnify counties for failure to meet the Medi-Cal performance standards. The Senate and Assembly Budget Committees previously adopted the Governor's proposal to eliminate the cost-of-doing business adjustment for a Statewide reduction of \$64.4 million in combined State and Federal funds.

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- **County Caseload Growth** - Voted 4 to 2 to reject the Governor's proposal to eliminate county caseload growth for a Statewide reduction of \$41.3 million in combined State and Federal funds.

Previously, the Senate and Assembly Budget Committees rejected the Governor's proposal to reduce the county Medi-Cal administration base by 3.67 percent for a Statewide reduction of \$46.6 million in combined State and Federal funds. As a result of these actions the impact to the County is reduced from a \$55.3 million loss to an estimated \$20 million loss.

In-Home Supportive Services (IHSS) Administration. The Conference Committee voted 4 to 2 to reject the Governor's proposal to reduce county IHSS Administration funding by \$21.9 million. If approved, this proposal would have resulted in an estimated County loss of \$7.6 million.

Food Stamp Administration. The Conference Committee voted 4 to 2 to reject the Governor's proposal to reduce county Food Stamp Administration funding by \$34.9 million.

Juvenile Probation and Camps Funding. The Conference Committee voted 4 to 2 to approve the Governor's proposal to reduce Juvenile Probation and Camps funding by 10 percent. This action will result in an estimated County loss of \$8 million. The Conference Committee also approved technical trailer bill language to fund this program by using Temporary Assistance for Needy Families funds instead of State General Fund dollars.

Juvenile Justice Crime Prevention Act (JJCPA). The Conference Committee voted 4 to 2 to approve the Governor's proposal to reduce funding for the JJCPA Program by 10 percent, and also took action to further reduce program funding by \$7.1 million. This action reduces JJCPA Program funding from \$119 million in FY 2007-08 to \$100 million which is the same funding level as in FY 2005-06. The estimated impact to the County is a \$4.8 million loss.

Citizen's Option for Public Safety (COPS) Program. The Conference Committee voted 4 to 2 to approve the Governor's proposal to reduce funding for the COPS Program by 10 percent, and also took action to further reduce program funding by \$7.1 million. This action reduces COPS Program funding from \$119 million in FY 2007-08 to \$100 million in FY 2008-09 which is the same funding level as in FY 2005-06. The estimated impact to the County is a \$1.1 million loss.

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Conservatorship and Guardianship Reform Act of 2006. The Governor's Budget proposed \$17.5 million to implement the Omnibus Conservatorship and Guardianship Reform Act of 2006 effective July 1, 2008. The Conference Committee voted 6 to 0 to delay implementation until July 1, 2009 for State General Fund savings of \$17.5 million.

Military and Veterans Programs. The Conference Committee voted 5 to 1 to reject the Governor's proposal to reduce funding for county veteran services by \$260,000. If approved, this proposal would have resulted in a loss of \$29,000 to the County.

Subventions for Open Space Act. The Conference Committee voted 5 to 1 to approve the Governor's proposal to reduce funding for the Subventions for Open Space Act Tax Relief Program (Williamson Act) by \$3.9 million. The estimated impact on the County is a \$4,000 loss.

We will continue to keep you advised.

WTF:GK:MAL
MR:VE:mp

c: All Department Heads
Legislative Strategist
Local 721
Coalition of County Unions
California Contract Cities Association
Independent Cities Association
League of California Cities
City Managers Associations
Buddy Program Participants

